

EAGLE MOUNTAIN CITY
CITY COUNCIL MEETING
JUNE 16, 2015

TITLE:	ORDINANCE – Consideration and Adoption of the Eagle Mountain City FY 2015-2016 Budget and Certified Tax Rate.		
FISCAL IMPACT:			
APPLICANT:	City Staff		
GENERAL PLAN DESIGNATION N/A	CURRENT ZONE N/A	ACREAGE N/A	COMMUNITY N/A

NOTICES:

-Public Meeting Notices
 -Public Hearing Notice
 published in the Daily Herald

REQUIRED FINDINGS:

Planning Commission Action / Recommendation
Vote: N/A

Prepared By: Paul Jerome Finance Director
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NOTES/COMMENTS:

Recommendations:

City staff recommends that the City Council, by ordinance, adopt the fiscal year 2015-2016 budget and Certified Tax Rate of 0.001118 as set by the State of Utah from values calculated by the Utah County Assessor's Office.

Background:

State Code requires that the City Council hold a public hearing on the proposed budget and that the budget be adopted by June 22. It is also required that the Certified Tax Rate or rate set by the City is adopted by the same date. The tentative budget was accepted by the City Council on May 5, 2015.

The tentative budget has been available for public review in preparation for adopting the final budget. After the City Council conducts the public hearing, the Council can move to adopt the final budget as proposed or with amendments. The final budget will be the document that governs the expenditures for the 2015-2016 fiscal year. The Certified Tax Rate in the current fiscal year was 0.001192. The proposed Certified Tax Rate set by the State is 0.001118 and is based on an increase in property values in the city of about \$125M (as determined by the Assessor's Office).

Each year the Utah County Assessor's Office uses the following formula to set certified tax rate based on the City's current property tax revenue plus growth:

Property tax revenue, divided by assessed value equals tax rate.

If the property values rise and the current revenue plus growth remains essentially the same, then the rate decreases. If the assessed values decrease, then the rate rises in order to maintain the revenue level from the previous year.

Since the calculations are made on the gross, some property values may increase or decrease more than others and therefore the tax paid as a percentage may be different. According to the County, the proposed tax rate value has risen by about \$125M since last year. Therefore the rate has dropped by about 6% to ensure that revenue stays stable year to year with the only increase to revenue being due to growth.

